

**Department of Personnel Administration
Memorandum**

TO: Personnel Management Liaisons (PML)

SUBJECT: New State Retiree Vision Program and Special Open Enrollment Period	REFERENCE NUMBER: 2007-008
DATE ISSUED: 03/05/07	SUPERSEDES:

This memorandum should be forwarded to:

**Personnel Officers
Personnel Transactions Supervisors
Personnel Transactions Staff**

FROM: Department of Personnel Administration
Benefits Division

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The State will now offer a Retiree Vision Program (established under AB 2242, Chapter 611) to all eligible employees who retire from state service and current retirees/annuitants. This PML provides important information regarding the new Retiree Vision Program and a Special Open Enrollment Period. The earliest effective date for enrollment into the Retiree Vision Program is July 1, 2007. It is very important that you provide information to your employees regarding the new retiree vision benefit and ensure that they understand that their current vision coverage is not affected. Instructions for the Special Open Enrollment are provided on pages 4 and 5.

RETIREE VISION PROGRAM

The Department of Personnel Administration (DPA) contracts with Vision Service Plan (VSP) to provide this vision benefit to all eligible State retirees, annuitants, and their eligible dependents. At the time of retirement the Personnel Office will be required to offer the Retiree Vision Program to their eligible retiring employees.

Currently, State employees' vision coverage is fully paid by the State. The Retiree Vision Program is a voluntary benefit and the premium will be fully paid by enrolled retirees with a monthly deduction taken from their retirement warrant. Unlike the state-sponsored vision coverage provided to active employees which has one composite premium rate for all enrollments, the new Retiree Vision Program will have a three-tier rate with Party Code (PC) 1, PC 2, and PC 3. Retiring employees will be able to enroll eligible dependents of their choice. The level of benefits that are provided under the Retiree Vision Program are the same as those provided under the current active employees VSP vision coverage.

Please pay special attention to the information on pages 3 and 4 regarding the requirement to maintain enrollment in the Retiree Vision Program for a minimum of 12 months and the impact to offering COBRA continuation of vision coverage to retiring employees.

Eligibility

State employees who at the time of separation for retirement were enrolled in a health, dental, or vision plan, and retired within 120 days from their date of separation will be eligible to enroll in the Retiree Vision Program. Those employees who were not enrolled in a health, dental, or vision plan at the time of separation for retirement, but were eligible for enrollment as an employee at the time of separation for retirement, and retired within 120 days from their date of separation will also be eligible to enroll in the Retiree Vision Program.

Employees who were employed with the State at the time of separation for retirement as one of the following are eligible for this program:

- (1) Civil service employee of the State;
- (2) Elected member of the Legislature;
- (3) Legislative employee;
- (4) Constitutional officer; and
- (5) Employee of the judicial branch of the government.

Note: Annuitants of the California State University and University of California systems may not participate in this program.

New Enrollments

Effective immediately, the Personnel Office must provide a DPA 695 Enrollment Form to retiring employees who want to enroll in the Retiree Vision Program. The Personnel Office will need to provide assistance to complete the form and send the form to VSP. VSP will process the enrollment form based on the effective date reflected on the form. For retirements occurring prior to July 1, 2007, the earliest effective date for enrollment is July 1, 2007.

Retiree Vision Plan Deduction and Enrollment Authorization (DPA 695)

The Retiree Vision Plan Deduction and Enrollment Authorization (DPA 695) will be used to enroll retiring employees in the Retiree Vision Program. The DPA 695 is available as a fill and print document on DPA's website at <http://www.dpa.ca.gov/benefits/health/vision.shtm>. For your information a copy of the DPA 695 (Attachment A) is provided with this PML.

All completed DPA 695 enrollment forms should be sent to VSP at the following address for processing:

Vision Service Plan (VSP)
Attn: Client Services - Mailstop 229
P.O. Box 997100
Sacramento, CA 95899-7100

You may also fax the DPA 695 to VSP at fax number (916) 463-9031.

60-Day Enrollment Period

Retiring employees will have 60 days from their retirement date to complete and submit a DPA 695 to their Personnel Office. It is the Personnel Office's responsibility to advise your employees of the 60-day enrollment time limit.

Eligible employees, who do not wish to enroll in the Retiree Vision Program within the 60 day time limit, must be advised that they will not be able to enroll until the next open enrollment period. These employees must complete Section C, and sign/date the DPA 695. This form, declining enrollment, should be retained in the employee's personnel file. No further action is required by the Personnel Office. **Do not submit the DPA 695 to SCO, CalPERS, or DPA.**

Effective Date of Enrollment

The effective date of enrollment is the first day of the month after the DPA 695 is received by VSP. There is no retroactivity.

Example:

Date of Retirement	Date DPA 695 received by VSP	Effective Date of Enrollment in Retiree Vision Program
08/06/07	09/13/07	10/01/07

(Keep in mind that if the employee is enrolled in the vision benefit for active employees, the State will pay the vision premium for the month of September.)

12-Month Minimum Enrollment Period

Based on the effective date of the enrollment, there is a required minimum 12-month enrollment period. This means that once the enrollment is established, the retiree (and eligible dependents, if any) will not be allowed to cancel his/her enrollment for a minimum period of 12 months from the effective date of enrollment. VSP will monitor the 12-month enrollment period and ensure that the enrollment is not cancelled or changed during the 12-month period.

Example:

Date of Retirement	Date of Loss of State Paid Vision Coverage	Effective Date of Enrollment in Retiree Vision Program	End of 12-Month Enrollment Period *
08/06/07	09/30/07	10/01/07	10/01/08

* At the end of the 12-month period, the retiree will be able to cancel or make changes to his/her Retiree Vision Program coverage during the next open enrollment period. If the retiree experiences a permitting event that allows a change in coverage outside an open enrollment period, he/she must contact VSP in order to request a cancellation or change in coverage.

Allowable Permitting Events

If retirees and/or dependents experience an allowable permitting event outside of the annual open enrollment period then they must contact VSP in order make appropriate changes to their vision enrollment. Allowable permitting events for the Retiree Vision Program are reflected in the Permitting Event Code Chart (Attachment B).

Retiree Vision Program Premiums

Premiums for the Retiree Vision Program will be fully paid by the enrolled retirees and a monthly deduction will be taken from their retirement warrant. Following are the Retiree Vision Program monthly premiums that go into effect July 1, 2007.

<u>Party Code (PC)</u>	<u>Monthly Deduction</u>
PC 1 (Retiree only)	\$8.78
PC 2 (Retiree plus one dependent)	\$17.12
PC 3 (Retiree plus two or more dependents)	\$18.43

Impact on Offering COBRA Continuation Coverage

Because the premium structure in the Retiree Vision Program is different from the active employees' State-sponsored vision benefit, the Personnel Office must continue to offer COBRA continuation coverage to retiring employees and their eligible dependents to continue their State-sponsored vision plan. Retiring employees can choose to enroll in either the Retiree Vision Program or COBRA; they cannot enroll in both the COBRA continuation vision coverage and the Retiree Vision Program at the time of retirement.

BAM Vision Section 1200

We are currently revising the on-line BAM Vision Program Section 1200. Procedures regarding the Retiree Vision Program will be included in the revision.

SPECIAL OPEN ENROLLMENT PERIOD

A Special Open Enrollment will be held **April 1, 2007 through April 30, 2007**. All enrollments during this period will be effective July 1, 2007. Active State employees will not participate in this special open enrollment. DPA recently mailed a letter and a VSP vision benefit brochure that included an enrollment form to State retirees and annuitants. For your information a copy of the letter (Attachment C) is provided with this PML. A copy of the vision benefit brochure is available on DPA's website at <http://www.dpa.ca.gov/benefits/health/vision.shtm>.

VSP will process all enrollments during this special open enrollment. There will be three options that may be utilized by retirees/annuitants to enroll:

1. Visit VSP at www.vsp.com/go/stateofca and complete the online enrollment form, or
2. Call VSP at 1-800-877-7195 and speak to a Member Services Representative, or
3. Complete and mail the VSP Enrollment Form.

These enrollment options were included in the letter sent to retirees (Attachment C). The VSP open enrollment form is different than the new DPA 695, which you will use to enroll retiring employees in the Retiree Vision Program.

Annual Open Enrollment Periods

DPA will notify State retirees and annuitants regarding the Retiree Vision Program Annual Open Enrollment Period, which will coincide with the open enrollment period for Health, FlexElect, CoBen, and Dental benefits. Retirees/annuitants will be able to enroll, cancel, or make changes to their vision coverage during open enrollment periods. VSP will process all open enrollment transactions.

PERSONNEL OFFICES

Please provide your employees with information regarding the new Retiree Vision Program and assist retiring employees who want to enroll in the Retiree Vision Program. If you need assistance to answer your employees' questions, please call Lisa Hatten, Retiree Vision Program Analyst, at (916) 323-2712.

/s/ Greg Beatty

Greg Beatty
Chief

Attachments